

A PUBLICATION OF THE NEW JERSEY DIVISION OF PENSIONS AND BENEFITS

SHBP COVERAGE OF CHILDREN TO AGE 30 UNDER CHAPTER 375, P.L. 2005

State Health Benefits Program

DEPENDENT CHILDREN

Under the State Health Benefits Program (SHBP) an eligible "dependent child" is defined as an unmarried child under age 23 who lives in a regular parent-child relationship, or who is away at school, or a child of a divorce living at home provided that he or she is dependent upon the covered parent for support and maintenance or if the covered parent is legally required to support the child. SHBP coverage for dependent children usually ends as of December 31 of the year in which the child turns age 23.

The SHBP covered member will receive a COBRA notification letter prior to the termination of the dependents's coverage. The notice outlines the right to purchase continued health coverage, gives the date coverage will end, and the period of time over which coverage may be extended (usually 36 months). COBRA premiums are less than the premiums for Chapter 375 coverage. To see a cost comparison, go to the Division of Pensions and Benefits Web site at:

www.state.nj.us/treasury/pensions/shbp.htm

A Chapter 375 eligible child will be able to enroll for Chapter 375 coverage prior to the end of the COBRA coverage. See "Enrolling for Chapter 375 Coverage" for additional enrollment guidelines under the Active Employee and Retired Groups of the SHBP.

CHAPTER 375 CHILDREN

Under the provisions of Chapter 375, P.L. 2005, certain over age children may be eligible for coverage under the State Health Benefits Program (SHBP) until age 30.

This includes a child by blood or law who:

- is under the age of 30;
- unmarried;
- has no dependent(s) of his or her own;

- is a resident of New Jersey or is a full time student at an accredited public or private institution of higher education; and
- is not provided coverage as a subscriber, insured, enrollee, or covered person under a group or individual health benefits plan, church plan, or entitled to benefits under Medicare.

ENROLLING FOR CHAPTER 375 COVERAGE

During calendar year 2007, an eligible child may be enrolled at any time. If the application is received by the 5th of the month, the effective date of coverage will be the first of the following month. Thereafter, a SHBP covered *employee* may only enroll an over age child who is Chapter 375 eligible during the Annual SHBP Open Enrollment period — held during the month of October. Coverage for the over age child would begin in January with the start of the benefit plan year.

A SHBP covered *retiree* may enroll an over age child who is Chapter 375 eligible at any time by filing an application with the SHBP. The effective date of coverage will be the first of the month following a full two-month waiting period from the date of receipt of the application.

A completed *SHBP Chapter 375 Application for Coverage* and a photocopy of the over age child's birth certificate are required when enrolling for this extended coverage. If the over age child is adopted, a step child, or a legal ward, supporting documentation is required, if not already on file with the SHBP.

PLAN SELECTION

Under Chapter 375, an over age child does not have any choice in the selection of benefits but is enrolled for coverage in exactly the same plan or plans (medical and/or prescription drug) that the covered parent has selected. There is no provision for eligibility for dental or vision benefits.

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COVERAGE COSTS

The covered parent is responsible for the entire cost of coverage.

When Chapter 375 coverage is elected, the covered parent will be billed directly by the SHBP for the cost of the coverage.

Chapter 375 Rate Charts showing the premium amounts for all SHBP plans are available from your employer, by contacting the Division of Pensions and Benefits, or over the Internet at:

www.state.nj.us/treasury/pensions/shbp.htm

Enrollment of over age children for coverage under Chapter 375 is voluntary. The provisions of Chapter 375 do not require an employer to pay all or any part of the cost of coverage for any election of this coverage.

WHEN COVERAGE ENDS

Coverage for an enrolled over age child will end when the child no longer meets any one of the eligibility requirements listed above, or when the covered parent's coverage ends (for example: termination of employment, divorce, or death of the covered parent). The SHBP may also terminate coverage in the event of non-payment of the required premiums.

Chapter 375 coverage ends on the first of the month following the event that makes the child ineligible or up until the paid through date in the case of non-payment.

There is no provision for the continuation of group coverage under COBRA for a child due to the loss of Chapter 375 coverage. Nor is there any provision for conversion to non-group coverage.

ADDITIONAL INFORMATION

For a *Chapter 375 Rate Chart*, a *SHBP Chapter 375 Application for Coverage*, or if you have additional questions about Chapter 375 eligibility or coverage, see your employer's Benefits Administrator, or the Chapter 375 information at the SHBP Web site at:

www.state.nj.us/treasury/pensions/shbp.htm

If you need information concerning COBRA coverage, see Fact Sheet #30, *Continuation of SHBP Insurance Under COBRA*, available from your employer or the SHBP Web site listed above.

You may also contact the Division of Pensions and Benefits' Office of Client Services at (609) 292-7524, or e-mail the Division at:

pensions.nj@treas.state.nj.us

This fact sheet has been produced and distributed by:

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Although every attempt at accuracy is made, it cannot be guaranteed.